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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/735,961	12/15/2003	James F. Verdonik	0099-021	3398

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SUITE 200 GENERATION PLAZA
1822 N.C. HIGHWAY 54 EAST
DURHAM, NC 27713

EXAMINER

ZECHER, MICHAEL R

ART UNIT	PAPER NUMBER
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3691

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PAPER

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Office Action Summary	Application No. 10/735,961	Applicant(s) VERDONIK, JAMES F.	
	Examiner Michael R. Zecher	Art Unit 3691	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE ____ MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 15 December 2003.
- 2a) ☐ This action is FINAL. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-45 is/are pending in the application.
- 4a) Of the above claim(s) ____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) ____ is/are allowed.
- 6) ☒ Claim(s) 1-45 is/are rejected.
- 7) ☐ Claim(s) ____ is/are objected to.
- 8) ☐ Claim(s) ____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☒ The drawing(s) filed on 15 December 2003 is/are: a) ☒ accepted or b) ☐ objected to by the Examiner.
 Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
 Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
2. ☐ Certified copies of the priority documents have been received in Application No. ____.
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|---|--|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413)
Paper No(s)/Mail Date. ____ |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | 5) <input type="checkbox"/> Notice of Informal Patent Application |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08)
Paper No(s)/Mail Date ____ | 6) <input type="checkbox"/> Other: ____ |

DETAILED ACTION

1. The following is a non-final, first Office action on the merits. **Claims 1-45** are pending.

Claim Rejections - 35 USC § 102

2. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of application for patent in the United States.

3. **Claims 1-45** are rejected under 35 U.S.C. 102(b) as being anticipated by Bennett (U.S. 5,761,441).

As per claim 1, Bennett teaches a method of providing and obtaining investment return, comprising:

(a) an Investor making an investment in a company (See column 1, lines 54-67, which discusses how an investor may invest in companies);

(b) said investment benefiting the company by allowing it to conduct operations (See column 1, lines 7-50, which discusses investing in small start-up companies, whereby it is inherent that the capital invested is used to allow the start-up company to conduct business);

(c) said operations benefiting vendors to the company when the company purchases services (See column 1, lines 7-50, which discusses the purchase of insurance coverage);

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(d) basing the investment return from said investment in part on the amount of concessions agreed to by vendors (See column 1, lines 7-50, which discusses receiving dividend income); and

(e) requiring that at least part of said investment return be paid by persons or entities acting for the benefit of any person set forth herein (See column 2, lines 1-48, which discusses how a trustee pays out dividend income).

As per claim 2, Bennett teaches using an Agent to transfer payments (See column 2, lines 1-48, which discusses the trustee transferring payments).

As per claim 4, Bennett teaches requiring at least part of the terms about investment returns not be changed without the approval of a person or entity, who is not a person or entity acting for the benefit of any person set forth therein (See column 13, lines 14-50, which discusses how either party would have to obtain the permission of the other party to transfer its interest).

As per claim 5, Bennett teaches (a) requiring that the person or entity whose approval is required be someone who will receive a financial benefit from the continuation of the same terms about investment returns; and (b) said person being a party to the transaction (See column 9, lines 24, through column 10, line 23, which outlines how an investor, an original party to the transaction, may receive the benefit of the original investment terms).

As per claim 6, Bennett teaches requiring that any attempt by an investor to assign rights of the investor or an affiliate, will cause the rights of the investor or an affiliate to be transferred to a person or entity acting for the benefit of any person set

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forth herein (See column 2, lines 49-64, which discusses how an investor or lender may transfer rights and obligations under the contract).

As per claim 7, Bennett teaches requiring that the person or entity which the rights of the Investor or an affiliate are transferred be a person or entity who will receive financial benefit from the continuation of same terms about investment returns, said person being a third party to the transaction (See column 2, lines 49-64, and column 13, lines 14-50, which discusses how either party would have to obtain the permission of the other party to transfer its interest; and, furthermore, how an investor or lender may transfer rights and obligations under the contract to a third party).

As per claim 9, Bennett teaches requiring vendors to enter into a written agreement to discount the price of services (See abstract, which discusses a contract incorporating discounts).

As per claim 10, Bennett teaches requiring that the economic benefits of said discounts be transferred to an investor (See column 3, line 65, through column 4, line 5, which discusses discounting the return on investment for an investor based on resulting projected value flows).

As per claim 11, Bennett teaches requiring that the investment return to the investor (See column 3, lines 1-24, which discusses returning dividends and remaining shares to the investor).

As per claim 12, Bennett teaches using a vender sharing arrangement (See column 2, line 64, through column 3, line 24, which discusses T-O-P contracts).

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Claims 13, 15-18, 20-22 recite equivalent limitations to claims 2, 4-7, & 9-11, respectively and are therefore rejected using the same art and rationale.

As per claim 23, Bennett teaches providing services to an issuer which assists persons or entities acting for the benefit of a person set forth herein, to provide an investment return (See claim 1, which discusses a data processing system used to provide an investment return).

Claims 25-27 recite equivalent limitations to claims 9-11, respectively and are therefore rejected using the same art and rationale.

Claims 28 & 30-32 recite equivalent limitations to claims 23 & 9-11, respectively and are therefore rejected using the same art and rationale.

As per claim 33, Bennett teaches providing and selling other types of services to an issuer, comprising as part of Adviser Services, assisting one client to enter into at least one part of a transaction (See claim 1, which discusses a data processing system that may be used in conjunction with consulting services to provide an optimal investment return).

Claims 34-45 recite equivalent limitations to claim 33 and are therefore rejected using the same art and rationale.

Claim Rejections - 35 USC § 103

4. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

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5. **Claims 3, 8, 14, 19, 24, & 29** are rejected under 35 U.S.C. 103(a) as being unpatentable over Bennett (U.S. 5,761,441).

As per claim 3, Bennett does not expressly disclose requiring at least part of the investment return to be reinvested in the company in which the investment was originally made.

The Examiner takes Official Notice that it is old and well known in the art to allow parties to a contract to freely negotiate the contract terms. Therefore, it would be obvious to one of ordinary skill in the art at the time the invention was made to require that a return on investment be reinvested in the original company in order to achieve the predictable result of negotiating to have an investment return reinvested in the company (See column 2, lines 1-48, which discusses the trustee transferring payments; it is inherent that that trustee must act according to the terms of the trust and at the direction of the beneficiaries, in this case, the investor. Therefore, it is feasible that a beneficiary, or investor, may direct a trustee to reinvest his payments back into the company in which the investment was originally made).

Claim 14 recites equivalent limitations to claim 3 and is therefore rejected using the same art and rationale set forth above.

As per claim 8, Bennett does not expressly disclose requiring the issuer to purchase a service from a person or entity designated in investment documents.

The Examiner takes Official Notice that it is old and well known in the art to allow parties to a contract to freely negotiate the contract terms. Therefore, it would be obvious to one of ordinary skill in the art at the time the invention was made to include in an

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investment contract a requirement that a company must purchase a service from a person or entity in order to achieve the predictable result of requiring a company to purchase products or services from a designated entity as a form of consideration in return for an investor making an investment in the company.

Claims 19, 24, & 29 recite equivalent limitations to claim 8 and are therefore rejected using the same art and rationale set forth above.

Conclusion

6. The prior art made of record and not relied upon is considered pertinent to applicant's disclosure.

Epstein (U.S. 2005/0119958) discloses a method for investing working capital.

Noraev et al. (U.S. 2004/0215541) discloses novel securities, supporting systems and methods thereof.

Fisher et al. (U.S. 2004/0153388) discloses a method and system for coupling investments for project funding.

Noraev et al. (U.S. 7,249,083) discloses securities, supporting systems and methods thereof.

Epstein (U.S. 6,795,811) discloses a method for investing working capital.

Williams et al. (U.S. 2006/0212380) discloses methods for issuing, distributing, managing and redeeming investment instruments providing normalized annuity options.

Carlson et al. (U.S. 2004/0177021) discloses an apparatus and method for achieving enhanced returns on investments.

Rosenberg (U.S. 2003/0208426) discloses an investment structure and method having fixed and contingent components.

Mistretta (U.S. 2002/0174046) discloses a synthetic fixed income principal protected vehicle and methodology.

McClelland et al. (U.S. 5,689,650) discloses a community reinvestment act network.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Michael R. Zecher whose telephone number is 571-270-3032. The examiner can normally be reached on M-F 7:30-5:00 alt. Fridays off.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Alexander Kalinowski can be reached on 571-272-6771. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

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Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

MRZ



HANI M. KAZIMI
PRIMARY EXAMINER